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Chinese Perspectives on Defense Minister Chi Haotian's Visit to the United States and Key Issues in Sino-American Relations

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Contents

The Future of Sino-American Relations.....	1
PLA Expectations of the Visit of Defense Minister	
Chi Haotian to the United States.....	3
PLA Attitudes Toward Military-to-Military Ties.....	5
Sino-American Strategic Dialogue and Common Strategic Interests.....	7
The U.S.-Japan Alliance.....	9
Theater Missile Defense	11
Multilateral Security Cooperation.....	13
Cooperation on Proliferation and Arms Control Issues.....	15
U.S. Arms Sales To Taiwan.....	17
Cross-Strait Relations	19
WTO and MFN Issues	21
U.S. Human Rights Policy.....	22
The Korean Peninsula.....	23

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1996, with PLA and MFA Officials and Research Institute Analysts*

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The Future of Sino-American Relations

- Chinese leaders are committed to improving Sino-American ties, according to Chinese officials and analysts. "The intention here is to have better relations," according to the head of the America division of the Ministry of State Security's (MSS) foreign policy research institute, who asserted that the "all the members of the Politburo" want improved ties with the United States. "There is no disagreement on this question," he said, adding that China wants to work with the new Clinton administration to have "stable relations in the next few years" and "to see some problems resolved." The president of the MSS institute asserted that "the Chinese government takes a positive attitude toward the establishment of a senior level dialogue mechanism and exchange of summit visits."
- China has its list of priority issues that it wants the United States to address. The head of the America division of the MSS research institute outlined these issues as: 1) gaining entry into the WTO; 2) ending the annual tabling of a resolution at the UNHRC; 3) abiding by and implementing promises made to China on the Taiwan issue; 4) obtaining permanent MFN trading status; and 5) lifting the remaining Tiananmen sanctions.
- Chinese officials and analysts say that Chinese leaders realize Beijing as well as Washington will have to make concessions to improve relations. The head of the MFA's U.S. affairs division insisted that "we will meet you half way." The MSS institute America expert similarly commented that "Chinese are realists. "We know that we have to give to get—especially since we are weaker." How much China will compromise on a range of issues is still under debate, however. On WTO, the MSS analysts said "there is a consensus in policy circles that we must give more on market access and import tariffs." On human rights, China can resume the human rights dialogue with the U.S. and agree to cooperation on legal reform if the U.S will agree to not submit a resolution at the UNHRC condemning China's human rights practices. Beijing can also make some concessions on "soft issues" like the environment, terrorism, drug trafficking, and even on Korea since these "are all in China's interest as well as in U.S. interest," he asserted.
- Chinese leaders and officials expect Secretary of State Christopher to be more forthcoming on "how to handle our relations in the second term," according to the chief of the MFA's America division. "We hope that the U.S. will be more specific about the initiatives it is proposing," and "to discuss ways to implement the arrangements already agreed upon." The vice president of the MSS foreign policy institute said he expected China and the U.S. to "set priorities for cooperation" and "negotiate a preliminary framework for relations for the next 4-5 years" during Christopher's visit.
- Chinese officials and analysts differ in their assessments about the prospects for Sino-American relations in the next year and beyond. Some Chinese officials and institute researchers say they are optimistic that Sino-American ties can improve significantly in the next year and beyond. They see a window of opportunity for both sides to take steps, including reciprocal summit visits, and resolve many of the key outstanding issues in U.S.-Chinese ties, thus setting the basis for substantial long-term improvement in relations. More pessimistic analysts and officials express concern that the U.S. and China will not be able to rid relations of vulnerability to new crises that can set back or even reverse progress toward a smoother, more stable relationship. These experts warn of possible crises in relations next year over Taiwan, Hong Kong and other issues. In addition, a Chinese diplomat indicated personal doubts that the planned summits will take place because the U.S. may make them conditional. "The U.S. could say the atmosphere is not propitious in one way or another."

- Chinese leaders and officials are suspicious about the motivations behind the change in U.S. policy toward China earlier this year. Chinese officials say they are uncertain about the intentions of the United States in shifting its policy toward China following the confrontation over Taiwan in March and the tough U.S. stance on the IPR issue. According to the head of the MFA's America division, they question whether the new, less confrontational approach is "short-term expediency" or a "long-term policy." He added that "U.S. sincerity in wanting a good relationship with China is hard to sell here."
- The Chinese leadership continues to view U.S. strategy toward China as engagement with elements of containment. There is a consensus in Beijing that the U.S. is pursuing a strategy of engagement with elements of containment, but Chinese leaders, officials and analysts disagree over the balance between engagement and containment. "Some say that containment is greater and others say that containment and engagement are equal," but "no one says that there is less containment," according to the head of the America division of the MSS foreign policy research institute. Even engagement is not viewed as a friendly policy, however, "but rather an attempt to pervade China with U.S. economic, political, cultural and ideological influences," according to the director of the Institute of American Studies of the Chinese Academy of Social Sciences. Most Chinese leaders and officials suspect the U.S. is seeking to keep China weak and divided while at the same time trying to integrate China into the international system on Western terms.
- The main factor cited by Chinese who think that containment is the primary element of U.S. strategy is U.S. policy toward Taiwan, not the WTO, human rights, or other issues, according to the head of the America division of the MSS foreign policy research institute. Consequently, he said, solving the WTO, UNHRC and other issues besides Taiwan will soften but not eliminate the voices of those who hold the containment-as-dominant view.

PLA Expectations of the Visit of Defense Minister Chi Haotian to the United States

- The PLA views Defense Minister Chi Haotian's upcoming visit to the United States as a landmark event. "The PLA will use the visit as a new starting point for our relationship," according to a colonel from the PLA's Academy of Military Sciences (AMS) Strategic Studies Department. Other PLA officers stress that the Chinese side attaches as much importance to the Chi visit as does the U.S. side.
- China's priority is that the visit itself is successful. The Chinese view the Defense Minister's visit as the start of a gradual process of rebuilding trust and confidence. "It is a big step forward from carrier battlegroups in March to now having the defense ministers meet," asserted a senior colonel who is deputy director of the National Defense University's Institute of Strategic Studies. "If this can happen 1, 2 or 3 times, then gradually the two sides can talk about real things." Both the symbolism and the substance of the visit are important and "it is hard to say" which is more significant, commented Senior Colonel Chen Xiaogong, head of the America section of the General Staff Department's military intelligence division, who is a close aide to Deputy Chief of Staff Lt. General Xiong Guangkai, and will be accompanying Defense Minister Chi to the United States along with General Xiong.
- The Chinese side is looking for concrete results from the trip. "Hopefully we will reach agreements on specific issues, including regular high-level meetings and some confidence-building measures," Chen Xiaogong asserted.
- The PLA is considering and debating its response to U.S. proposals for maritime CBMs. Senior Colonel Chen Xiaogong, who has been involved in the internal discussions, said the PLA is seriously considering the list of CBM initiatives presented by the United States. He maintained that the "voice of those opposed" to maritime CBMs is "very weak." The opponents, he said, argue that the only problem is the U.S. Navy "interfering" with the PLA Navy—a problem which can be resolved by the U.S. leaving China alone. In Chen's judgment, the PLA is likely to seek to discuss the U.S. CBM proposals during the Chi visit, although he says he is uncertain whether any agreements, including on INCSEA, can be reached. "In any case," he said, "the process of negotiations itself is good." Chen added that the "Chinese side has also made proposals to the U.S. side for bargaining." An AMS researcher commented that "China and the U.S. should do what the U.S. and Russia are doing" in agreeing to confidence-building measures.
- The most important element of the Chi visit for the Chinese is re-establishing the strategic dialogue. Chinese military analysts and officials stress the need to increase mutual understanding, reduce the level of confrontation, and increase cooperation as preconditions to developing military ties. They suggest that the two sides should discuss their interests and concerns, including potential conflicts of interests. "One important feature in our dialogue should be frankness so that we can precisely understand what the other side is thinking and avoid unnecessary misunderstanding," a senior colonel from AMS asserted. He added that "we also have some common interests and should realize that these are the basis for a long-term strategic dialogue." According to a well-informed senior America specialist at the MFA's Foreign Affairs College, Chinese military leaders want "to start to talk with the U.S. about the big picture—strategic issues and U.S. intentions toward Taiwan—before they talk about specifics like joint search and rescue operations." The PLA is also concerned about how the United States evaluates China and its regional and global roles and would like to have this issue addressed during the talks.

- The PLA's priority concerns for discussion in the strategic dialogue include Taiwan, the U.S.-Japan alliance, and TMD. According to Chen Xiaogong, the Chinese side wants "to discuss global and regional security issues, Taiwan, and bilateral issues." Chen said that besides Taiwan, the PLA is especially concerned about the "revision" of the U.S.-Japan Security Treaty. He noted that "more and more Chinese are worried" about this issue, including himself. Chen noted that there have been "many explanations" by the U.S. to China of the Treaty revision, but he insisted these have been "very diplomatic and not very credible." "If you can convince China that the U.S.-Japan alliance is not aimed at China, the visit will be a great success, from my viewpoint," he said. But Chen warned that "it is not enough to just say that the U.S. intention in invigorating the alliance is not to counter China because the concern is that in the event it is necessary, it could be used against China."
- The Chinese have a range of strategic and tactical concerns about TMD which it hopes the U.S. side will address during the Chi visit. Chen Xiaogong said he is especially concerned about the potential transfer of advanced TMD to Taiwan and the possibility that Japanese sea-based TMD "could be used to defend Taiwan from Chinese attack." He suggested that although Defense Minister Chi Haotian may not seek to discuss the TMD issue in depth, it would be helpful if the U.S. would make a detailed explanation of both the U.S.-Japan Security Treaty and the TMD program during the staff-level talks.
- Defense Minister Chi Haotian is not considered a hardliner within the PLA. Asked about Chi's tougher statements on Taiwan in meetings with U.S. officials last June, a retired colonel who formerly worked for Lt. General Xiong Guangkai commented that "Chi is not regarded as a hardliner here" and suggested that Chi had been under pressure to assume a tough stance.

PLA Attitudes Toward Military-to-Military Ties

- PLA officers and researchers stress that Sino-American military relations are subordinate to the political relationship between Washington and Beijing. The future development of Sino-American military relations thus depends on the status of political relations. The Chinese do not foresee the military-to-military relationship as likely to provide a steady factor during volatile periods in Sino-American political relations.
- The PLA places a high priority on improving Sino-U.S. relations, including military-to-military ties, and PLA officers and researchers say they are eager to renew and gradually develop the military relationship. "The Chinese military supports the idea that China has to have good relations with the United States," according to Major General Pan Zhenqiang, who heads the National Defense University's Institute of Strategic Studies and accompanied NDU President General Xing Shizhong on his October visit to the United States. "No one in the PLA advocates that we follow an anti-U.S. imperialist policy. Our economic development can't proceed smoothly without cooperation and interaction with the U.S. We need your market, your technology and your capital. We also need to have an understanding with the U.S. in order to have a stable, peaceful environment. After all, you are the only superpower."
- Nevertheless, there is widespread suspicion in the PLA of U.S. objectives in developing military ties as well as of overall U.S. intentions toward China. A well-informed America expert from the MFA's Foreign Affairs College commented that "there is fear in the Chinese military that you want dialogue so that you can understand China's capabilities better." PLA wariness of U.S. intentions reflects widespread anger toward the United States. According to Major General Pan Zhenqiang, "Older guys in the PLA, including retired officers who continue to be very influential are very indignant toward the U.S. They see the U.S. as pushing China around and some individuals have called for a tougher policy toward the U.S." Pan added that "younger people in the PLA experience frustration that is similar to the anti-American sentiments expressed in the book *China Can Say No.*"
- The PLA continues to resent the U.S. for deploying the two carrier battle groups to the Taiwan area during China's March 1996 military exercises. Senior Colonel Chen Xiaogong, who is head of the America section of the General Staff Department's military intelligence division and will be accompanying Defense Minister Chi to the United States, commented that he had predicted that the United States would send one carrier battle group during China's exercises but that "to my surprise, the U.S. sent two carriers." He insisted that "the extra one" was "not necessary" and was an overreaction which "hurt Chinese feelings." That the U.S. had "hurt Chinese feelings" is a common refrain from military and civilian officials apparently trying to characterize the anger felt throughout the PLA in reaction to the U.S. deployment. A former PLA colonel who heads an institute that provides advice to Deputy Chief of Staff Lt. General Xiong Guangkai noted that as a result of the U.S. action, for the first time since China faced a possible Soviet invasion "we had to put on green hats for combat again." Other analysts say that the PLA considers the U.S. military "more of an adversary" than in the past.
- Resentment over the carrier deployments "will not affect the development of military-to-military relations," according to a senior colonel from the Academy of Military Sciences (AMS) Strategic Studies Department, although he asserted that "as a member of the PLA, it was hard to accept the presence of U.S. warships in the Taiwan Strait." Senior Colonel Chen Xiaogong asserted that the confrontation in the Taiwan areas demonstrated that "the lack of communication between the U.S. and China is really a problem" that needs to be addressed.

- PLA officers portray the Taiwan issue, especially U.S. arms sales to Taipei, as a significant limiting factor for the future development of military-to-military ties. "Until the Taiwan problem is resolved, including the problem of Taiwan arms sales, military-to-military relations can improve but cannot be very good," according to Chen Xiaogong.
- A persistent long-term desire of many PLA officers in developing military ties with the United States is to obtain U.S. defense technology. "In the late 1970s and 1980s, there was good military technology transfer," Chen Xiaogong asserted. "I hope that we can achieve this again. I hope the U.S. will sell us some military technology." Chen and other PLA officers are realistic about the near-term prospects for U.S. military technology transfer to China, however. An AMS researcher commented that "maybe the U.S. is afraid that China will use the weapons that it could sell to China to attack American forces." The PLA, too, may be reluctant to develop a military technology transfer relationship with the United States, according to the America expert from the MFA's Foreign Affairs college. "Even if the U.S. could sell China military equipment, the Chinese military would assume that you would be able to defeat anything that you sell," he said. "They would fear that you could paralyze the PLA and they would not want to rely too much on the United States."

Sino-American Strategic Dialogue and Common Strategic Interests

- Chinese officials and foreign policy experts hope that renewed high-level strategic dialogue with the United States will provide the anchor for a better and less volatile Sino-American relationship. Senior Chinese leaders are eager to have an exchange of views with their American counterparts aimed at rebuilding mutual trust. The Chinese want the dialogue to include a frank discussion of each side's strategic interests and concerns, according to the vice president of the foreign policy research arm of the Ministry of State Security (MSS).
- There is widespread enthusiasm among PLA and civilian analysts and officials for the Liu Huaqiu-Tony Lake dialogue, which is portrayed as signaling U.S. willingness to view Sino-American relations from a long-term, strategic perspective. The Liu-Lake channel is credited with playing a key role in re-establishing the Sino-American strategic dialogue and has boosted the prestige and influence of Liu Huaqiu, head of the State Council's Foreign Affairs Office. Liu's success has intensified rivalry between his Foreign Affairs Office and the Ministry of Foreign Affairs. "The MFA is jealous of the important role that Liu Huaqiu has carved out for his office in foreign affairs," according to the head of the America division of the MSS foreign policy research institute, who noted that the MFA now refers to Liu's office as "the second foreign ministry."
- The Chinese claim that the United States is not sensitive to Chinese security interests but insists that Beijing take American interests into consideration in its foreign policy. The example most frequently cited by Chinese military and civilian officials and experts is that the U.S. asks China to take American interests into account when it sells weapons and technology to Iran but Washington does not respect Chinese security interests when it transfers arms to Taiwan.
- In the Chinese view, a "strategic framework" for the relationship would provide the basis for playing down differences and concentrating on areas of common concern. This is partly aimed at persuading Washington to place top priority on the strategic importance of maintaining good relations with Beijing and ease pressure on China over human rights, proliferation and trade and to adhere strictly to a one China policy toward Taiwan. The Chinese also view such a strategic framework as potentially providing a more stable foundation for the Sino-American relationship. They maintain that it would build trust and confidence between the two sides and establish the basis for better managing differences and preventing disputes on specific issues from threatening the entire relationship.
- While Chinese leaders say that China and the United States have common strategic interests, Chinese institute experts are worried that Washington no longer sees that it has significant shared interests with Beijing. The president of the MSS research institute said he had read a report citing a recent Pentagon-sponsored interagency meeting of China experts which had concluded that it was difficult to find common strategic interests with China. He indicated concern that this may reflect a new U.S. view of strategic relations with China.
- Chinese experts advising the leadership say they are having difficulty developing a convincing set of specific common strategic interests to underpin the Sino-American relationship. The president of the MSS research institute expressed uncertainty about whether in reality the United States and China have a significant set of common strategic interests. The chief of the institute's America division described a high-priority project for the

Chinese leadership aimed at "finding a solid strategic basis for building Sino-American relations into the next century." The problem, he said, is that "we also can find few common strategic interests. The more we study this in detail, the less we find. We must persuade ourselves before we can persuade our leaders." For example, he said, although the U.S. and China agree that they want to have a peaceful world, "the U.S. says this should be under U.S. global leadership" which Beijing rejects. He also noted that Chinese and American leaders say that they want peace and stability in the Asia-Pacific region, but the strengthening of the U.S.-Japan alliance and the deployment of U.S. carriers to the Taiwan area last March have led some people to question whether the two sides agree on how to preserve regional stability.

- **Most Chinese analysts—and Chinese leaders—continue to point to common strategic interests between China and the United States, especially in the economic sphere.** Chinese experts say that China has a major strategic interest in cooperating with the United States to advance its economic modernization through access to the U.S. market, American investment capital and U.S. technology. "These are critical to our economic development," the deputy director of the Institute of Asia Pacific Studies of the Chinese Academy of Social Sciences asserted. "We can't hope that Japan will provide us with these things" since "Japan does not want China to become strong because China is too close a neighbor." Chinese officials and analysts also continue to maintain that the United States and China have common strategic interests in stability and nuclear non-proliferation on the Korean peninsula, preventing re-militarization of Japan, and, in theory, halting proliferation of weapons of mass destruction.

The U.S.-Japan Alliance

- In the past year, concern that the U.S.-Japan alliance is aimed at "checking" or containing China has spread horizontally among institute researchers and officials as well as vertically to the senior Chinese leadership. "Consideration of China is clear in the [Clinton-Hashimoto] joint declaration," a senior analyst at the Institute of Japanese Studies and a former military attaché to Tokyo asserted, insisting that "China is the new objective of the alliance." The majority view among civilian officials and institute experts, according to a senior analyst from the Institute of American Studies, is that "containing China with the help of Japan" is one important reason for revision of the U.S.-Japan alliance. Senior Colonel Chen Xiaogong, who heads the America section of the General Staff Department's military intelligence division and will accompany Chinese Defense Minister Chi Haotian to the United States in December, asserted he was convinced that "one purpose of the Treaty" is to counter China. Chinese suspicions about American and Japanese strategic intentions toward China have been exacerbated not only by the recent strengthening of the alliance but also by tension and mistrust in both Sino-American and Sino-Japanese relations.
- Chinese military and civilian officials and experts are most apprehensive about the broadening of the alliance's scope to cover much of East Asia. "We are nervous because the U.S. is giving Japan a larger regional security role" that "goes beyond the defense of Japan and encompasses the Far East," asserted the head of the America division of the Ministry of State Security (MSS) foreign policy research arm. Most importantly, he said, this area includes the Taiwan Strait as well as the Diaoyu (Senkaku) Islands and the South China Sea.
- The expansion of the alliance's scope is interpreted in Beijing as indicating that Japan would likely to cooperate militarily with the United States in the event the U.S. were involved in a military conflict with China. PLA experts calculate that under the revised terms of the alliance, Japan's backing for U.S. forces may not be limited to logistical and intelligence support. "Once something happens in the Taiwan Strait or South China Sea, the U.S. will intervene with the support of Japan, not only logistically, but also with combat support, early warning, etc." Senior Colonel Chen Xiaogong predicted. He added that "we hope that next time [the U.S. deploys naval forces near Taiwan in response to Chinese military exercises] we will not see two Japanese ships flanking the U.S. carriers." Even if Japanese forces are confined to support roles under the terms of the revised 1978 Defense Guidelines, Chinese military experts insist they could find themselves engaged directly in combat once a conflict breaks out. A senior Japan expert and former military attaché to Tokyo asked rhetorically if a Japanese ship supporting U.S. forces is attacked, "How would Japan respond? Would it retaliate?"
- The Chinese fear that the U.S.-Japan alliance will no longer be a force containing Japan as it has been in the past. Chinese officials and analysts have long considered Japan to pose little threat to Chinese security interests as long as it was under the umbrella of the U.S.-Japan alliance, which would prevent Japan's emergence as an independent military power, perhaps armed with nuclear weapons. Now, however, many military and civilian analysts and officials are worried that within the alliance Japan is being encouraged to build up its military power and to expand its security role beyond defense of Japanese territory to undertake responsibility for security throughout the region as a junior partner to the United States. The deputy director of the State Council's Foreign Affairs Office under Liu Huaiqiu warned that "the redefinition of the alliance will help Japan in some way to move forward" toward the goal of becoming an independent military power. The U.S. is also seen as encouraging right-wing, militarist tendencies within Japan that have favored a more confrontational Japanese approach to relations with China.

- Some civilian Chinese analysts maintain that Beijing is primarily concerned about the political rather than the military implications of Tokyo's commitment to a wider security role in the region that includes the Taiwan Strait. Although China opposes the enlargement of Japan's regional security role, the MSS America expert maintained, "we are not afraid of Japan in a military sense. If Japan says it has an obligation to protect Taiwan, then this is a diplomatic problem, not a military problem."
- The Chinese government has not drawn any conclusions yet regarding revision of the U.S.-Japan alliance, according to the president of the MSS foreign policy research institute. He noted that China will closely observe developments in Japan—including whether the Peace Constitution is revised—as well as the outcome of the revision of the 1978 Defense Guidelines to be issued next fall before making a final judgment about the direction of the alliance and whether it poses a threat to Chinese security interests.
- For now, most Chinese continue to view the U.S.-Japan alliance and U.S. military presence in Japan and the Asia-Pacific region as continuing to check Japan's military power and ambitions, and thus still serving Chinese interests. PLA and civilian officials and analysts say that more in-depth dialogue between China and the United States concerning revision of the U.S.-Japan alliance could alleviate some of China's concerns and reduce the level of suspicion about the alliance and Japan's future security role. On the other hand, Chinese analysts warn, Beijing could openly oppose the alliance if Chinese leaders become convinced that: 1) the U.S. and Japan are actively engaged in collusion to keep China weak and divided and to militarily contain China; and 2) that the U.S.-Japan alliance will no longer be a force containing the buildup of Japanese military power or the expansion of Japan's regional security role.

Theater Missile Defense

- U.S.-Japanese development of TMD has become a priority concern of the PLA and the Chinese senior leadership. Chinese leaders have called for extensive research on TMD, which has focused attention on the issue in civilian think tanks as well as in the PLA and other branches of the government.
- At present most Chinese analysts and officials are poorly informed about TMD and tend to accept worst-case assessments and exaggerated rumors about the issue. A nuclear scientist from China's nuclear weapons laboratories noted that the complexity of the TMD issue is usually lost in the internal debate in China. "There is low-level TMD like PAC III and high-level TMD like THAAD that could lead to national missile defense," the scientist said, but "most people here put it all together and see a big threat."
- There is widespread concern among military and civilian officials and researchers that TMD is part of a larger U.S. strategy aimed at containing China in cooperation with Japan and other East Asian states as well as Australia. "I don't believe that TMD is not aimed at China," asserted Senior Colonel Chen Xiaogong, head of the America section of the General Staff Department's military intelligence division, who is a close aide to Deputy Chief of Staff Lt. General Xiong Guangkai and will be accompanying Defense Minister Chi and General Xiong to the United States. "Who is it aimed at? North Korea?" Chen, like many other Chinese analysts and officials, claimed that the U.S. is planning a vast TMD network in the Asia-Pacific region as part of military encirclement of China. "The U.S. has invited Japan to join research on TMD. The U.S. will also develop TMD with South Korea and the U.S. will sell some TMD to Taiwan," Chen contended, adding that "a Chinese technical expert told me that these three systems would form a network that will pose a real threat to China." An MFA America expert commented that "if the U.S. deploys TMD to South Korea, Japan and Taiwan, it becomes a matter of containment targeted against China. TMD thus represents a much larger issue that is related to U.S. perceptions of the 'China threat' and U.S. intentions and policy toward China, including the U.S.-Japan alliance."
- The top concern of PLA officers is the possibility that the U.S. will provide Taiwan with TMD more advanced than PAC II. China's ability to deter Taiwan from "going independent" rests primarily on its missile capability, say PLA experts, and thus TMD would shift the military balance and encourage Taiwan to break away from the Mainland. "Taiwan is very afraid of China's military superiority," according to the deputy director of the National Defense University's Institute of Strategic Studies. "One factor is China's missile attack capability. So if the U.S. provides Taiwan with TMD, it will have nothing to be afraid of." PLA officers also say they are concerned that providing TMD to Taiwan may enable the Taiwan authorities to develop offensive missiles that could be used to attack the Mainland.
- Civilian experts and Ministry of Foreign Affairs officials are primarily concerned about the political implications of possible U.S. provision of TMD to Taiwan. They stress that U.S. sales of TMD to Taiwan would increase the suspicion of the Chinese leadership that the United States supports Taiwan independence despite Washington's insistence that the U.S. adheres to a "one-China" policy. In addition, they worry that acquisition of TMD by Taiwan would encourage the Taiwan independence forces and especially President Lee Teng-hui to take further steps toward independence.
- Chinese civilian and military experts view sea-based, lower-tier TMD deployed on U.S. ships which can be moved to the region around Taiwan in a crisis as less objectionable than sale of advanced TMD directly to Taiwan. A senior analyst from the research arm of the Ministry of State Security commented that such an alternative was

"reasonable" since "we cannot object to you having TMD on your ships for global use." Chen Xiaogong warned, however, that a Japanese sea-based TMD system, which "could be moved to defend Taiwan," would be viewed by the PLA with greater alarm because of China's deep distrust of Japan and opposition to Japanese forces playing a security role beyond defense of Japanese territory.

- The Chinese are concerned about the political-strategic as well as military implications of Japanese development and deployment of TMD. Chinese officials as well as military and civilian experts assess TMD in the context of the strengthening of the U.S.-Japan alliance, the expansion of Japan's security role within the alliance, and the continued enhancement of Japanese military power. They evaluate the implications of Japanese TMD in light of what they view as worrisome political trends in Japan, including: the strengthening of rightist forces; the persistent failure of Japanese leaders to acknowledge and account for Japan's aggression and war crimes in World War II as recently accentuated by Prime Minister Hashimoto's visit to the Yasukuni Shrine; a new willingness of Tokyo to "say no" to China by such steps as linking economic aid to Beijing's nuclear weapons testing; and Japan's assertive behavior over the disputed Diaoyu/Senkaku islands.
- Chinese nuclear scientists are worried that U.S./Japanese THAAD or Navy Upper Tier could neutralize a substantial portion of China's nuclear deterrent and would constitute a step toward national missile defense in the United States. Chinese nuclear scientists as well as many civilian and military experts have argued that the THAAD and Upper Tier systems would have the capability to intercept missiles with a range of up to 3,500 kms, which includes nearly 80% of Chinese strategic forces, and fear that the system could be upgraded to defend against the rest of China's longer-range missiles.
- Chinese nuclear scientists, arms controllers and PLA officers all insist that China will take the steps necessary to prevent neutralization of its strategic nuclear deterrent capability vis-a-vis Japan and the United States. Major general Pan Zhenqiang, who heads the National Defense University's Institute of Strategic Studies and accompanied NDU President Xing Shizhong on his October visit to the United States, warned that China will view any TMD system as "strategic" and will expand its nuclear arsenal, if necessary, to protect its deterrent. Chinese nuclear scientists say that Beijing's options include deploying more RVs, ICBMs and SSBNs, as well as developing and deploying MIRVs, MARVs, penails, and depressed-trajectory SLBMs.
- PLA officers and civilian experts contend that TMD deployment in Asia will stimulate an unnecessary and unwanted arms race in the region. They maintain that China and other countries would be compelled to put more resources into development and deployment of both offensive and defensive systems.

Multilateral Security Cooperation

- Chinese officials and foreign policy experts support multilateral security dialogue in the Asia-Pacific region as a means of reducing misunderstanding and mistrust among regional states, including easing concerns about China. The vice-president of the Ministry of State Security's (MSS) foreign policy research arm asserted that alleviating suspicions, increasing mutual understanding and building trust among regional states should be the primary aims of any regional security dialogue or system. He suggested that a multilateral security dialogue "should address issues such as transparency and include a thoughtful exchange of views at a very high level as well as among officials and scholars."
- Chinese leaders as well as most officials and analysts nevertheless are wary that regional multilateral security organizations might impinge on Chinese sovereignty. They worry that any such organization might interfere in China's "internal" affairs, especially between Taiwan and the Mainland, or seek to mediate territorial disputes, including the Spratly Islands in the South China Sea and the Diaoyu (Senkaku) islands controlled by Japan.
- Chinese concerns about participating in multilateral security dialogue have diminished somewhat since Beijing joined the ASEAN Regional Forum. "First China was worried about" joining the ARF, but "now China is very comfortable with it," according to a senior analyst from the MSS research institute.
- While the Chinese leadership as well as many officials and experts remain cautious about extending multilateralism beyond dialogue and modest confidence-building measures, there is increasing support among PLA and civilian researchers for consideration of a multilateral mechanism for maintaining security in the region. Chinese think-tank experts and even some MFA officials view such a mechanism as a possible alternative to the current regional security arrangement that relies primarily on U.S. bilateral security ties with regional states, especially Japan, and the exercise of U.S. unilateral "hegemonist" power. This support in China for new multilateral approaches to regional security has grown in response to increasing suspicion about U.S. strategic intentions, including fear that the United States is seeking to contain and militarily encircle China. Many Chinese experts maintain that the U.S. alliance system is an "outmoded" remnant of the Cold War that will inevitably disappear. They thus contend that planning for the reduced importance if not termination of U.S. alliances should begin now.
- While Chinese civilian and military analysts view a multilateral security mechanism as an eventual replacement for the dominant role played by U.S. bilateral alliances, most maintain that the U.S. should be an integral part of any new security regime. The vice president of the MSS research institute urged the United States to "formulate a strategic framework for a new comprehensive Asian security regime that would include all regional states." He insisted that such an inclusive approach was necessary "so that every actor in the region can feel secure and contribute the maintenance of regional security." PLA Major General Pan Zhengqiang, who is director of the National Defense University's Institute of Strategic Studies and accompanied NDU President General Xing Shizhong to the United States in October, similarly chided the U.S. for lacking vision in trying to perpetuate its old system of alliances rather than finding new mechanisms for regional security. "We have to create the conditions for the disappearance of alliances in the future, if not today. We should work together to develop a strategic framework that is not based on the old system."



- Some Chinese analysts portray the creation of a new regional security mechanism as a protracted and complex process in which the U.S. should play the leading role. The vice president of the MSS research institute asserted that a region-wide security mechanism should be established through various efforts, including bilateral, trilateral and subregional. Another senior analyst from the institute, who is heading a major study of multilateral security cooperation for the Chinese leadership, suggested that any new multilateral security mechanism for the region would have to be "worked out" by the U.S., Japan and China "in the coming years." He declared that "even NATO-style cooperation could be possible," adding that the United States "would play the number one role like it does in NATO" since "the U.S. is the only power that is trusted and capable."
- Chinese military and civilian experts suggest that China's sense of urgency about finding a new regional security mechanism to replace the U.S. bilateral alliance system will be strongly influenced by the status of Sino-American relations and Chinese assessments of the direction of the U.S.-Japan alliance. Better Sino-American relations and reduced suspicion about the intentions behind strengthening of the U.S.-Japan alliance will likely dampen enthusiasm in China for a radical departure from traditional Chinese "realist" balance of power approaches to international relations that would be represented by support for a multilateral security regime.

Cooperation on Proliferation and Arms Control Issues

China is reluctant to cooperate with the United States on proliferation issues, partly due to continued resentment and anger among military and civilian officials and analysts over U.S. arms sales to Taiwan, especially the sale of 150 F-16 fighters. Most Chinese link U.S. concern about Chinese arms sales and nuclear technology transfers to Iran to the U.S. F-16 sale to Taiwan, according to Senior Colonel Chen Xiaogong, who is head of the America section of the General Staff Department's (GSD) military intelligence division and is accompanying Defense Minister Chi Haotian on his December visit to the United States. "They say that since the U.S. does not care about China's security interests in Taiwan, why should we care about U.S. interests in Iran," said Chen, adding "I think this way myself."

Chinese cooperation in non-proliferation efforts is also hampered by widespread suspicion in China that the United States is using the proliferation issue to pressure Beijing. From this perspective, Chinese analysts say, the threat of U.S. sanctions is viewed as part of Washington's effort to contain China and prevent it from emerging as a great power.

Chinese officials complain that the U.S. "high-handed" approach to differences on proliferation issues is "not constructive." The chief of the MFA's America division maintained that "the way that the U.S. side handles non-proliferation is to focus on particular sales and say, 'if you don't do this, there will be sanctions.'" This approach, he said, "sometimes puts China on the defensive and closes the dialogue instead of opening it." Chinese analysts and officials nevertheless maintain that at least regarding nuclear proliferation, China has a common interest with the United States in preventing the spread of nuclear weapons. "Proliferation of nuclear weapons is not in China's interests," asserted Senior Colonel Chen Xiaogong expressing a view voiced by many other military and civilian analysts and officials.

Chinese officials suggest that more in-depth dialogue on proliferation could lead to greater mutual understanding and perhaps mutual accommodation. The head of the MFA's America division noted that it is difficult for China to accept U.S. demands that Beijing not deal with Iran or any other country simply because the U.S. sees that nation as a threat to its national interests. "An enemy of the U.S. is not necessarily the enemy of China," he said. The MFA official said that State Department officials complain that China's arms sales to Iran are destabilizing, "but they do not say why specific sales are threatening to U.S. interests. You need to convince us." The official called for "a better in-depth experts dialogue or even seminars on regional security issues" such as the Persian Gulf that "put the arms sales in a regional context." The MFA official asserted that the U.S. "might also benefit from China's perceptions and analysis of regional environments. Iran might not necessarily pose a threat to the Persian Gulf. You need to hear our approach."

Chinese analysts acknowledge that China's cooperation on proliferation is one of the few areas in which Beijing has significant leverage over the United States, especially to pressure Washington on U.S. arms sales to Taiwan. They maintain that China's leverage is enhanced by the higher priority Washington places on non-proliferation than Beijing places on the issue.

Chinese analysts foresee more Chinese cooperation with the U.S. on proliferation issues in the future, although Beijing will continue to tacitly if not explicitly link proliferation issues with U.S. arms sales to Taiwan. "We accept U.S. ideas on non-proliferation and will gradually go further in cooperation with the United States on proliferation issues," according to the head of the America division of the foreign policy research institute of the Ministry of State Security (MSS). He asserted that China is unlikely to agree to stop all arms transfers and peaceful nuclear energy cooperation with Iran and Pakistan, however. "We have to consider our relations with both of those countries," he maintained. The analyst nevertheless suggested that

there is still room for China to cooperate with the United States on non-proliferation. He noted that the U.S. has a "very big arms control agenda" and added that "there is always something to move forward on. Maybe next month we will give you something, then six months later we will give you something else."

U.S. Arms Sales To Taiwan

- MFA officials and PLA officers deny that the level of tolerance in Beijing for U.S. arms sales to Taiwan is lower than prior to Lee Teng-hui's June 1995 visit to the United States. An MFA official in charge of American affairs said that U.S. weapons sales to Taipei in the aftermath of the decision to sell 150 F-16 fighters "have not gone beyond the limit" that is acceptable to Beijing. He added, however, that China "remains worried about the trend of upgrading the quality of arms" that the U.S. sells to Taiwan. A colonel in the Academy of Military Sciences Department of Strategic Studies stated that "maintaining the present level of military equipment transfers to Taiwan is OK," although he added that eventually the U.S. should "end the sales as promised" in the August 1982 Communiqué.
- China's tolerance level for U.S. arms sales to Taiwan is affected by Lee Teng-hui's efforts to expand Taiwan's "international space." "The most important factor to look at is Lee's behavior when judging the level of Beijing's tolerance for arms sales," maintained a PLA colonel who is the deputy director of China's National Defense University's Institute of Strategic Studies.
- MFA officials are primarily concerned about the political impact of U.S. arms sales to Taiwan on Sino-U.S. relations and say that weapons transfers to Taiwan heighten suspicions among the Chinese leadership about U.S. intentions toward China and thus make it more difficult to improve bilateral ties. An MFA official in charge of U.S. affairs noted that the "symbolism" of U.S. arms sales to Taiwan is more important than whether any particular sale will destabilize the Taiwan Strait. A well-informed America expert from the MFA's Foreign Affairs College stated that "U.S. arms sales to Taiwan make it harder to convince our leaders that U.S. policy toward China is not containment. The issue of quantity vs. quality is secondary," he insisted, adding that "you have to see the resentment that these sales cause—this can't be quantified." An MFA official who serves as an advisor to the Chinese Ambassador to the United Nations stressed that "repeated U.S. violations" of the August 1982 Communiqué on arms sales to Taiwan—especially the sale of 150 F-16 fighters—have reduced U.S. credibility and undermined Beijing's trust. "The U.S. made a commitment to gradually reduce arms sales and finally end them, but instead sales have increased. Our experience tells us to believe your deeds, not your words," he asserted.
- The chief concern of the PLA is to prevent the transfer of specific weapons systems and capabilities to Taiwan. PLA officers point to submarines, upgrades in ASW and C3I, and TMD as likely to destabilize the military balance and provoke a strong reaction from Beijing. The quality of weapons sold is the most worrisome to Beijing, according to both PLA officers and MFA officials, but quantity is also an important consideration.
- The PLA must preserve a "certain degree of superiority" over Taiwan to prevent the island from going independent, according to the PLA colonel who is deputy director of the National Defense University's Institute of Strategic Studies. "If the quantity or quality of U.S. arms sales to Taiwan is too high and China loses superiority," he warned, "it will lead to a new round of the arms race" across the Taiwan Strait. Acknowledging that the basis of China's superiority is primarily its missile attack capability, the PLA colonel said, "If the U.S. provides Taiwan with TMD then it will have nothing to be afraid of." Chen Xiaogong, who analyzes the U.S. military for the PLA's General Staff Department and will accompany Chinese Defense Minister Chi Haotian to the United States, suggested that Beijing could "tolerate PAC II Patriots," but "maybe not PAC III or MADs," noting that MADs has offensive capabilities.

- Both military and civilians view U.S. arms sales to Taiwan as encouraging those on the island who support independence and complicating Beijing's efforts to achieve reunification. The America expert from the MFA's Foreign Affairs College explained that "policy makers in China worry that U.S. arms sales will make Taiwan so strong that we can't get it back." According to an MFA official, U.S. arms sales to Taiwan "do not pose a serious security threat to China, but they do provide a disincentive to Taiwan to talk to China." There is a widely shared view in Beijing that U.S. arms sales are part of a broader American strategy to keep the Mainland and Taiwan divided.
- MFA officials say that Beijing does not want "a new understanding of the August 1982 Communiqué" or talks with the U.S. on arms sales to Taiwan. "We are not trying to reinvent the wheel," stated an MFA official in charge of U.S. affairs, "we just want the U.S. side to show restraint." According to a well-informed America expert at the Ministry of State Security's foreign policy research institute, however, there is support in Beijing for getting the U.S. to "put down on paper" the promises it has made to Chinese leaders regarding Taiwan, including: 1) no U.S. support for Taiwan's entry into the UN; 2) the criteria the U.S. will use to judge whether future visits to the U.S. by Taiwan leaders will be permitted; and 3) that the U.S. will adhere to a one China policy and the three Communiqués on Sino-American relations, including the August 1982 Communiqué on arms sales to Taiwan.

Cross-Strait Relations

- Beijing is in no hurry to resume the high-level Wang-Koo talks that were suspended last year after Lee Teng-hui's visit to the United States. "This is a two-way street and it is not useful if we are anxious," maintained an MFA official. He indicated that China is waiting for Lee Teng-hui to adopt a more positive approach toward advancing direct shipping, trade and other confidence-building measures before agreeing to re-open the high-level dialogue. The precondition for resuming the talks, according to Chinese officials, is that Lee Teng-hui return to the one China principle—that there is only one China and that Taiwan is part of China. An adviser to the Chinese Ambassador to the UN insisted that Beijing "doesn't want to let Taiwan avoid the issue of one China" so it will not agree to hold talks until this issue is settled. "China is much wiser now than in the past," he asserted.
- Officials from the MFA and the State Council's Taiwan Policy Research Office insist that Lee Teng-hui must accept Beijing's definition of "one China." An MFA official termed the Lee Teng-hui government's definition of one China as "flawed" and "ambiguous." "Their definition allows for two Chinas," he said, adding that "it is still too early to talk about flexibility on Beijing's side."
- There is discussion among Chinese scholars and some policy makers, however, about re-defining the term "one China," according to a former PLA colonel who is close to Wang Daohan, chairman of the Association for Relations Across the Straits and China's chief negotiator with Taipei. "There are different views among policy makers on this issue," he asserted, noting that Wang Daohan "is always thinking of new approaches" to achieve a breakthrough with Taipei. Apparently consideration of redefining the term "one China" would not be aimed at allowing Taiwan to raise its international profile but rather would be intended to seek greater support from the people on Taiwan for Beijing's "one country, two systems" policy. The former PLA colonel was not optimistic that the leadership would agree to any re-formulation of its one China policy in the near future, adding that "I don't think there will be significant change until after Deng Xiaoping's death."
- Chinese leaders deeply mistrust Lee Teng-hui and are convinced that he seeks independence for Taiwan. A senior colonel who heads the America section of the General Staff Department's military intelligence division asserted that "it is no longer a question that Lee Teng-hui wants independence, it is only that he cannot achieve it." The Chinese see Lee Teng-hui as unpredictable and worry about what he will try to do in the next 2-3 three years. Factors that will influence Lee's behavior, according to Chinese experts, include domestic politics in Taiwan, the process of reversion of Hong Kong to Beijing's control, the status of Sino-American relations, and economic and military developments in Taiwan and the Mainland.
- Beijing's strategy is to promote economic ties with Taiwan while holding off on resumption of political ties and waiting for Lee Teng-hui to make conciliatory gestures. One MFA official explained that China seeks to separate the political and economic components of cross-Strait relations and reassure Taiwan investors that economic relations will not be affected by strains in the political relationship. He estimated that Lee Teng-hui would be unsuccessful in his bid to limit Taiwan investment in China because of growing opportunities for Taiwan companies on the Mainland. "Time is on China's side," the official maintained, since China's economy is growing and Hong Kong and Macao will soon revert to Chinese sovereignty. "Taiwan will be under tremendous pressure—its living space will be very limited," he asserted.

- PLA and civilian researchers do not foresee circumstances arising that would compel China to resume military exercises against Taiwan. A well-informed analyst from the Ministry of State Security's foreign policy research institute stated that "On Taiwan, our actions will be quiet and stable. There will be no military exercises in the near future nor too harsh words toward Taiwan and Lee Teng-hui." A former PLA colonel who heads a research center that advises the PLA's General Staff Department asserted that Beijing's top priority for the next two years would be managing the reversion to Mainland control of Hong Kong in 1997 and then Macao in 1999. "We have two years in which to show how well-behaved we are," he said, adding that "this will require leniency" as well as "efforts to reassure the international community."
- The PLA's role in China's policy toward Taiwan is to apply military pressure on Lee Teng-hui and, if necessary, use force to prevent him from taking a path toward independence. A senior colonel who is deputy director of the National Defense University's Institute of Strategic Studies maintained that if the situation in the Taiwan Strait "develops normally in the political, economic and cultural spheres, then it will not be the PLA's problem and the PLA won't bother with it. We will play a role only in the event that Taiwan pushes independence or stops talking to the Mainland," he added.
- There is widespread suspicion in China that the U.S. has a "hidden policy" to keep China and Taiwan separate, according to an MFA official in charge of U.S. affairs. Chinese officials and institute researchers perceive the U.S. as paying lip service to China's goal of reunification. "We think that you have leverage over Lee Teng-hui, but you don't want to use it," the MFA official asserted. "We doubt your determination to urge Lee to come to the table and talk to the Mainland," he maintained, adding that "it sounds like empty rhetoric when American officials tell us that the resolution of the Taiwan problem is in American interests." The adviser to the Chinese ambassador to the UN indicated that Beijing is suspicious that there have been high-level secret meetings between the U.S. and Taiwan that have reached understandings that have not been made public.
- Chinese experts and officials urge the U.S. to take concrete steps in support of reunification. Chinese officials hope that the U.S. will exercise its influence on Lee Teng-hui so that Taiwan will forswear independence and accept the existence of one China. The MFA official responsible for U.S. affairs maintained that the U.S. could "do things quietly," to ease tensions across the Strait. He complained that Washington repeatedly asks Beijing "to be more tolerant and to talk to Taiwan, but we don't see the U.S. side doing anything." A senior colonel from the Academy of Military Sciences Department of Strategic Studies called for the U.S. and China to "work together to prevent the development of the independence forces on Taiwan," enabling the "one country, two systems" formula to be realized.

WTO and MFN Issues

- The Chinese leadership's top priority in Sino-American relations is to join the World Trade Organization next year. According to an institute researcher who participates in leadership meetings on Sino-U.S. ties, Chinese leaders are united on this priority, but doubts still remain at lower levels about whether joining the WTO at present is in China's interests.
- An intense debate is underway over how much and on what specific issues Beijing should compromise to reach agreement with the United States on the terms of China's entry into the WTO. As of mid-October, no decisions had been made, but the above institute researcher indicated that China could "show some flexibility" on the issues of market access and import tariffs.
- Chinese officials and researchers favorably assess the recent shift in U.S. positions on the terms of China's entry into the WTO and hope that a process of mutual compromise will lead to a near-term resolution of the issue. One MFA official stated that "the U.S. is desperate to get China into the WTO."
- Chinese experts say that agreement on China's entry into the WTO would have a big impact on Sino-American relations. There has been widespread suspicion in China that the U.S. does not want China to join the WTO because it wants to hamper China's economic development. One institute America expert noted that resolution of this issue "could influence a lot of people who are now suspicious of U.S. intentions." Moreover, he said, it would enhance credibility and trust between China and the United States and inject new momentum into the bilateral relationship.
- Beijing would like to obtain permanent MFN trading status, but Chinese experts do not insist that this issue be resolved in the discussions on the terms of China's entry into the WTO. An institute America expert who is close to Chinese policy makers asserted that acquiring permanent MFN trading status is number four on the leadership's list of priorities behind joining the WTO, ending the annual debate over China's human rights record in the UN Human Rights Commission, and achieving a degree of stability and predictability in U.S. relations with Taiwan. The expert was not optimistic that Beijing would be granted permanent MFN in the near future, however, due to a lack of support in Congress and no signs that the Clinton administration is ready to forcefully lobbying Congress on the issue.
- There is a consensus in Beijing that the United States will not take MFN status away from China because doing so would be harmful to U.S. economic interests. Deputy Chairman of the PLA General Staff's research institute asserted that "MFN is beneficial to both sides. If it were only beneficial to China, then the U.S. would not give it." Nevertheless, there is an appreciation in China that the annual congressional debate on the issue of MFN renewal for China has a deleterious impact on the bilateral relationship, so there is a desire to find a permanent solution.

U.S. Human Rights Policy

- The Chinese perceive that since President Clinton de-linked renewal of China's MFN trading status from China's human rights record that the administration has accorded lower priority to human rights issues. They are not confident that this trend will continue, however. A leading institute expert on the United States warned that if the U.S. puts human rights "in too high a position in its policy toward China," then there is little hope for improving relations. PLA and civilian institute analysts urge the U.S. to "take a strategic perspective" when handling issues in Sino-American relations, by which they mean that the U.S. should put less stress on issues like human rights.
- There will be progress on human rights in Sino-American relations if the U.S. continues to approach the issue in a "private and non-confrontational manner," according to an MFA official. Linking further development of Sino-U.S. relations to progress in China's human rights record will be counterproductive, Chinese researchers insist. An expert from the Institute of American Studies warned that "greater U.S. pressure on human rights would make it more difficult for the Chinese government to make a positive response."
- There are different views in China about the ability of the Chinese leadership to make concessions on human rights issues in the period leading up to the 15th Party Congress next Fall. One institute America expert claimed that China is "entering a sensitive period in which it will be harder to be flexible." Another analyst contended, however, that such a concern is "not reasonable" because a stable collective leadership is in place and China's economic situation is good. "If the Taiwan issue is quiet and leaders do not resume arguing among themselves as they did last year, there will be no great differences among them on internal or external issues," he maintained.
- There is a debate underway in Beijing over whether China should release some dissidents, with some people opposed on the grounds that doing so will not satisfy the U.S. but on the contrary will lead to greater demands, according to an America expert at a leading research institute in Beijing. Other steps that are being discussed in China are resuming the human rights dialogue with the United States and agreeing to bilateral cooperation in the sphere of law and judicial issues.
- Chinese leaders are under strong pressure to approve of arrests and trials of dissidents. The head of the America division of the Ministry of State Security's foreign policy research institute asserted that Chinese leaders realize that dissident arrests will negatively affect Sino-American relations but that it is difficult for them to reject demands from the Ministries of State and Public Security based on their reports on the dissidents' activities and the future threat they pose. "If Li Peng and Jiang Zemin do not agree to make the arrests," he said, "they will be blamed for any trouble the dissidents cause in the future."
- China attaches great importance to ending the annual vote on a U.S.-sponsored resolution on China's human rights performance at the UN Human Rights Commission. A leading America expert who has participated in many inter-agency meetings on Sino-American relations explained that the Chinese side views the annual charade as a waste of resources. "The MFA has to devote a good deal of energy to it and Chinese leaders "make many visits abroad" that are aimed at gaining support for China's position, he said. The researcher noted that finding a solution to this issue is China's number two priority in Sino-American relations, behind getting into the World Trade Organization. He warned, however, that "if the U.S. submits a resolution again, we will not retreat. We will have to fight." Another America expert stated that it would be symbolically very significant if the U.S. does not submit a resolution at the UNHRC next year.

The Korean Peninsula

- North Korea is experiencing severe economic difficulties, but Beijing sees no threat to regime stability at present. According the head of the MFA's Korea division, political stability is perceived to not be at risk because: 1) the North Koreans can endure great hardship; 2) the Kim Jong Il regime has "a strong capability" to control the political situation; and 3) as a socialist country, the North is distributing whatever food is available relatively fairly. The official maintained that "our basic judgment is that Kim Jong Il will remain in power and in the short run the regime will not collapse." He added that signs of impending collapse would include factional struggles in the leadership, food riots and visible dissatisfaction among the people, none of which are now apparent, he said.
- The Chinese believe that the survival of North Korea depends on its willingness to reform and they are not confident that it will succeed. "Whether Kim Jong Il can remain in power depends on the success of the government's efforts to reverse the economic downturn," stated the MFA official. "If in the next 3-4 years, Kim can formulate appropriate policies and food production rises, then there will be regime stability," he added. The official emphasized, however, that Beijing has not made a judgment that North Korea can successfully reform and does not rule out instability in the future.
- China has provided economic assistance to North Korea "because it needs that country to be stable," asserted a leading expert from a research institute attached to the Ministry of State Security. The head of the MFA's Korea division indicated that Beijing's assistance to Pyongyang is temporary, but added that China would give more aid "if North Korea faces serious natural disasters in the future."
- Beijing has plans to avert an inflow of refugees from North Korea in the event that the economic situation deteriorates. China is determined to prevent large numbers of refugees from crossing the border, according to an America expert at a leading research institute, but is not overly concerned about this prospect because China has a "large number of troops in Northeast Asia."
- Chinese researchers identify shared U.S. and Chinese interests and objectives in Korea as including: 1) maintaining stability on the peninsula; 2) keeping the peninsula free of nuclear weapons; 3) promoting dialogue between North and South and reducing tensions between the two sides; and 4) bringing about peaceful reunification.
- Chinese officials appreciate the current level of U.S.-Chinese discussions on Korea, but do not favor closer cooperation to prepare for possible instability as result of a North Korean collapse. An MFA official noted, however, that this position could change if China alters its assessment that there will not be a near-term collapse in the North.
- The PLA sees a "new trend" of stepped up of military activities by the U.S. and South Korea in the wake of the submarine incident which they fear may signal a shift in policy toward the North and raise tension on the peninsula. A senior colonel from the Academy of Military Sciences Department of Strategic Studies asserted that although "on the one hand the U.S. is in favor of peacefully resolving the Korean issue, it is also preparing for another war." Head of the MFA's Korea division similarly warned that the "the current situation is so tense" and "small conflicts could be exaggerated." He called for both the U.S. and China to "seek to calm things down."

- Chinese attitudes vary toward a continuing U.S. force presence in a reunified Korea, indicating that the government has no set position on the issue. While some researchers say they expect U.S. forces will be withdrawn, others say that the decision should be left up to the people living on the peninsula. A senior researcher from the Institute of American Studies asserted that "many people still believe the United States military presence is in China's interest."